

Message Text

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ACTION EUR-12

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SECSTATE WASHDC IMMEDIATE 6020
INFO AMCONSUL FLORENCE
AMCONSUL GENOA
AMCONSUL NAPLES
AMCONSUL PALERMO
AMCONSUL TRIESTE
AMCONSUL TURIN UNN

C O N F I D E N T I A L MILAN 0837

EO 11652: GDS
TAGS: PINT ELAB IT
SUBJECT: PRESIDENT ALFA ROMEO RESIGNS SUDDENLY

SUMMARY: GAETANO CORTESI, PRESIDENT OF STATE-OWNED ALFA ROMEO
SUDDENLY RESIGNED MAY 29 FOLLOWING CONVICTION WITH SEVERAL OTHER
EXECUTIVES BY LABOR COURT OF MINOR INFRACTION. CORTESI SAID
HE DID SO TO PROTEST HYPOCRITICAL LABOR LAW AND TO HELP GET CHANGES
IN IT WHICH HE BELIEVES AT LEAST POSSIBLE DUE TO PROGRESSIVE
CHANGES IN CGIL LEADER LAMA'S POLICIES. END SUMMARY.

1. CORTESI, 66 YEAR OLD, PARTLY US TRAINED, CAREER STATE EXECUTIVE
RESIGNED MID-MORNING MAY 29 AFTER LABOR COURT FOUND HIM AND
OTHER ALFA EXECUTIVES GUILTY OF VIOLATION OF WORKERS LAW
(ROUGHLY ITALIAN VERSION OF WAGNER ACT) AND EMPLOYMENT OFFICE
LEGISLATION. IN BRIEF, CORTESI FOUND GUILTY OF SCREENING
THOSE HIRED FOR POLITICAL AND OTHER QUALIFICATIONS AND FOR
HIRING DIRECTLY RATHER THAN FROM EMPLOYMENT OFFICE ROLLS.
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BY LAW, FIRM LIKE ALFA SUPPOSED TO HIRE ONLY THOSE SENT
TO IT BY STATE EMPLOYMENT OFFICE TAKEN IN DATE ORDER OF
APPLICATION. EMPLOYEE MAY NOT, LEGALLY, BE HIRED DIRECTLY.
HOWEVER, SAYS CORTESI, EVERYONE CIRCUMVENTS LAW IN PRACTICE
BY HIRING APPLICANTS AND THEN HAVING EMPLOYMENT OFFICE
RUBBER STAMP. MILAN LABOR JUDGE, HOWEVER, WITH UNION AS
CO-PLAINTIFF, CONDEMNED ALFA. VERDICT WILL BE APPEALED

AND CORTESI EXPECTS IT TO BE REVERSED, EVENTUALLY.

2. UPON RESIGNATION CORTESI LEFT HIS OFFICES AND TELLS US THAT HE IS THROUGH. IT WAS NOT A PERSONAL ISSUE, HE TOLD CONGEN THIS MORNING. IT WAS A MATTER OF PRINCIPLE. HE WAS NOT WILLING TO BE A HYPOCRITE. BEYOND THAT, HE APPEARS TO HOPE THAT THIS CLAMOROUS CASE WILL HELP TO GET LABOR LAW CHANGED. GOVERNMENT, HE SAID, WAS LEANING HARD ON HIM TO WITHDRAW RESIGNATION BUT HE WANTED TO GIVE IT LEVERAGE TO GET CHANGE IN LAW.

3. WHY DID HE THINK THIS POSSIBLE WITH A LAW OF SUCH IMPORTANCE TO LABOR MOVEMENT? CORTESI SAID THAT CGIL HEAD LAMA HAS BEEN MODIFYING HIS POSITION FOR THE BETTER EVERY FEW WEEKS AND THAT GAVE HIM SOME REASON TO BELIEVE CHANGE IN LAW MIGHT EVENTUALLY BE MADE. MOREOVER, ALFA HAD IN RECENT WEEKS, AND DURING PAST YEAR, NEGOTIATED SIGNIFICANT IMPROVEMENTS IN RELATIONS WITH UNIONS WHICH WERE NOT ONLY OF GREAT IMPORTANCE IN THEMSELVES BUT AS PRECEDENTS FOR ENTIRE ITALIAN LABOR SCENE. HE MIGHT NOT SUCCEED IN GETTING CHANGES IN LAW. BUT HE HAD TO TRY.

4. CORTESI RESIGNATION IS MAJOR POLITICAL-LABOR EVENT HERE. AS MILAN'S LARGEST EMPLOYER AND ONE OF TREND SETTERS FOR HDVY INDUSTRY, ALFAHIS NATIONAL BELL QEATHER. CORTESI HAS HAD GREAT SUCCESS IN GETTING SIGNIFICANT CHANGES IN RELATIONS WITH UNIONS ABOUT WHICH HE HAS BEEN VERY PLEASED. HE IS TOUGH AS CONFIDENTIAL

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NAILS NEGOTIATOR WHO ALSO HAS UNION RESPECT AND HIS RESIGNATION LIKELY TO CAUSE SERIOUS LOCAL SOUL SEARCHING BY ALL CONCERNED. AND, TO JUDGE BY HIS PAST PERFORMANCE, CORTESI ACTS NEITHER ON IMPULSE OR FOR THEATRICAL EFFECT. WE MUST SUPPOSE THAT HE THINKS HE HAS A CALCULATED CHANCE OF GETTING THE LEGAL CHANGES HE WANTS OR AT LEAST OF GETTING BALL ROLLING IN THAT DIRECTION.FINA

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